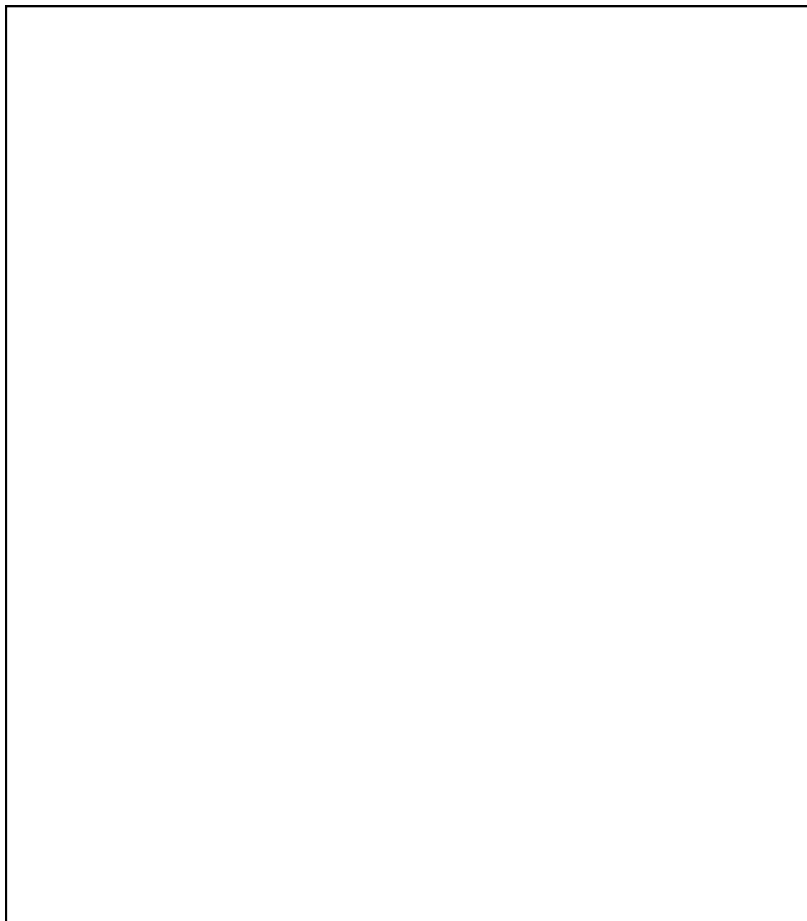


# UBUHLEBEZWE LOCAL MUNICIPALITY ANNUAL REPORT



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## **VISION**

***“To improve the quality of life of all its citizens by providing basic affordable services, a safe and healthy environment, eradication of poverty and maintaining the scenic beauty of this land.”***

## **MISSION STATEMENT**

***“UBuhlebezwe Municipality will strive to deliver an appropriate level of service to all our citizens by the year 2015 and alleviate poverty by promoting sustainable development whilst providing good governance and being transparent and accountable to the public.”***

## **ACRONYMS AND ABBREVIATIONS**

<b>AFS</b>	<b>Annual Financial Statements</b>
<b>AG</b>	<b>Auditor -General</b>
<b>CIP</b>	<b>Consolidated Infrastructure Plan</b>
<b>COGTA</b>	<b>Corporative Governance and traditional Affairs</b>
<b>CPMD</b>	<b>Certificate Programme in Management Development</b>
<b>DOT</b>	<b>Department Of Transport</b>
<b>EXCO</b>	<b>Executive Committee</b>
<b>IDP</b>	<b>Integrated Development Plan</b>
<b>IGR</b>	<b>Intergovernmental Relations</b>
<b>LGSETA</b>	<b>Local Government Sectoral Education and Training Authorities</b>
<b>MFMA</b>	<b>Municipal Finance Management Act</b>
<b>MIG</b>	<b>Municipal Infrastructure Grant</b>
<b>MSA</b>	<b>Municipal Systems Act</b>
<b>MTAS</b>	<b>Municipal Turnaround Strategy</b>
<b>PMS</b>	<b>Performance Management Systems</b>
<b>SCM</b>	<b>Supply Chain Management</b>
<b>SCOPA</b>	<b>Standing Committee on Public Accounts</b>
<b>SDBIP</b>	<b>Service Delivery and Budget Implementation Plan</b>
<b>SMME</b>	<b>Small Medium Micro Enterprise</b>
<b>ODETD</b>	<b>Occupation Directed Education and Training Development Programme</b>
<b>WSP</b>	<b>Workplace Skills Plan</b>

# CHAPTER 1

## INTRODUCTION AND OVERVIEW



## CHAPTER ONE: INTRODUCTION AND OVERVIEW

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1.3	Municipal Manager's Foreword	8
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## **1.1 Executive Summary**

The UBuhlebezwe Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000. According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. A brief summation of what is contained in each chapter is outlined below

### **Chapter One**

This chapter contains the geographic location of the Municipality as well as the population dynamics of the municipality. The other important area for this Chapter it is that it also touches on issues of governance and how Council is constituted.

### **Chapter Two**

This chapter reports on key performance highlights and challenges of the organisation during the year under review. Though the Municipality faced a number of challenges, which ranged from, inadequate funding versus for the implementation of projects and low revenue base, the municipality continued to excel in service delivery. A detailed report is outlined in this chapter.

### **Chapter Three**

This chapter reports on the programmes the Municipality designed improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.

### **Chapter Four**

This Chapter constituted of the Financial Statements of the year under review. Also key in this chapter is the fact that we have maintained our timely submission of the Annual Financial Statements to the Auditor-General for auditing. In doing so, we have again received an unqualified Audit Report for the year ended 30 June 2011.

### **Chapter Five**

This Chapter provides comprehensive information of each functional area provided by the municipality and also the analysis of each function



## 1.2 Mayor's Foreword



It is with utmost excitement that I have to present to you the 2010/2011 Ubuhlebezwe Municipality Annual report.

Despite limited resources, the municipality has managed to reach the communities within ubuhlebezwe municipal area. The Municipality has implemented innovative projects in the 2010/2011 financial year which includes the rehabilitation of town roads, erecting streetlights in our town, construction of KwaMpondo Skills Centre and facilitating the development of Ixopo Public Office Park with the green building status. The Municipality has also dedicated itself on improving youth skills development and to date 16 needy students have been assisted through bursary funding in various fields of study.

Towards improving IGR Ubuhlebezwe Municipality has developed a good working relationship with the business community, sector departments and non-governmental sectors which have contributed massively to our achievements. We would also like to mention that our public consultations and participation assisted in improving our services and allowed us to analyse the needs of our community to the extent that the municipality has been recognized.

The Auditor-General's scrutiny of the Municipality's Annual Financial Statements for 2010/2011 financial year once again resulted in an unqualified audit opinion. The Auditor – General however indicated matters that were not adequately addressed in the 2010/2011 that needs urgent attention. In order to achieve the set 2014 clean audit target by National Department of Co-operative Governance and Traditional Affairs (COGTA), the Municipality has developed an action plan in the 2011 /2012 financial year going forward.

In closing, this would have not been successful without the mission and vision driven by the political and administrative leadership. I would like to extend my gratitude to the municipal officials, the stakeholders from the private and public sectors and the community at large for their contribution towards achieving the municipality's goals.

**Cllr Z D Nxumalo**

**His Worship, the Mayor**



### 1.3 Municipal Manager's Foreword



It is that time of the year again when as required by the Municipal Finance Management Act ,56 of 2003, we prepare an Annual Report for the year under review(2010/2011) highlighting the achievements made, challenges faced and corrective measures taken towards fulfilling the municipality's objectives for the financial year 2010/2011. Our municipality's objectives are reflected in the Ubuhlebezwe Municipality Integrated Development Plan, the Service Delivery and Budget Implementation Plan (SDBIP) and the Municipal Turnaround Strategy (MTAS).

The financial statements contained in this document present the details of the UBuhlebezwe municipality's financial standing as at 30 June 2011. Once again our municipality received an unqualified audit opinion from The Auditor General. This is a great achievement for the municipality. However, this sense of achievement does not disregard the areas for improvement that demand our urgent attention. The report of the Auditor General presented the municipality with some matters of emphasis especially on performance and supply chain management. The municipality is in the process of establishing an internal audit unit to assist in this area. The municipality was visited by the Auditor General in October 2011. During this visit the AG was impressed by the report on the state of affairs of the municipality and the mayor's commitment to achieve a clean audit by 2013.

The support and constructive criticism received from our community contributed to improved delivery of services to our community during this financial year. This record of achievement would not have been possible without you.

My sincere gratitude to the Heads of departments, the entire Ubuhlebezwe Municipal staff, your contribution ensured that the Municipality achieved its strategic objectives during the reporting year.

**Mr G.M. Sineke**

**Municipal Manager**

## **1.4 PERFORMANCE AUDIT AND AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2011**

We are pleased to present our report for the financial year ended 30 June 2011.

### **Appointment of Audit Committee**

Ubuhlebezwe Local Municipality appointed the Audit Committee on April 2010 . There are three members of the Audit Committee, namely:-

- Mrs T C Ndlela - Chairperson
- Mr R Bowyer
- Mr J Myakayaka

### **Audit Committee members and attendance**

The Audit Committee consists of the independent members listed hereunder, is required to meet at least four times per annum as per its approved Terms of Reference. During the year under review, meetings were held as follows:-

<b>Date Schedule</b>	<b>Meetings held</b>
28 September 2010	28 September 2010
17 February 2011	17 February 2011
12 May 2011	12 May 2011
28 April 2011	28 April 2011

<b>Name of Member</b>	<b>Percentage of attendance</b>
Mrs. T C Ndlela	100
Mr. R Bowyer	100
Mr. J Myakayaka	100

### ***Audit Committee responsibility***

We report that we have adopted appropriate formal Terms of Reference in our charter in line with the requirements of section 166 of the Municipal Finance Management Act, No. 56 of 2003. We further report that we conducted our affairs in compliance with the charter.

### ***The effectiveness of internal control***

We have reviewed various reports from the Internal and External Auditors, and the report on the adequacy and effectiveness of internal control systems. We have also reviewed the external auditor's report on the annual financial statements together with the internal auditor's report. During the year under review, several deficiencies in the system of internal control were reported by the internal auditors and the Auditor-General, Management was advised to improve and implement both internal audit and external audit recommendations.

Furthermore, management should take all reasonable steps to ensure that internal control weaknesses identified by internal and external auditors are rectified to ensure adequacy and effectiveness of the system of internal controls.

### ***Internal Audit Activity***

UBuhlebezwe Local Municipality used the services of KPMG as its auditors during the year under review. Internal Audit work was conducted in accordance with the approved internal audit plan and quarterly reports were submitted to the audit committee for review and comments.

### ***The quality of in-year management and monthly/quarterly reports submitted in terms of the MFMA***

The Committee has not reviewed the quality of in-year management and monthly / quarterly report submitted in terms of the MFMA and the Division of Revenue Act, but has relied on the feedback of the Auditor-General who has not reported adversely in this regard.

### ***Evaluation of financial statements***

The Committee reviewed and discussed the municipality's annual financial statements for the year ended 30 June 2011. Discrepancies were noted and it was agreed that those will be rectified before the final set of Financial Statements were

submitted to Auditor General. The Audit Committee did not get a chance to review and comment on the Auditor General's management letter but the Chairperson of the audit Committee presented its views to Council with regard to the Auditor General's findings. The Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

### ***Performance Management***

The Municipality has implemented the Performance Management System, issues of concerns were raised and it was agreed with management that the Audit Committee Recommendations will be implemented accordingly for the 2011/2012 financial year to allow smooth implementation of all the requirement relating to Performance Management System.

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**Mrs. T C Ndlela**

**Chairperson of the Audit Committee**



## 1.2 Legal Framework

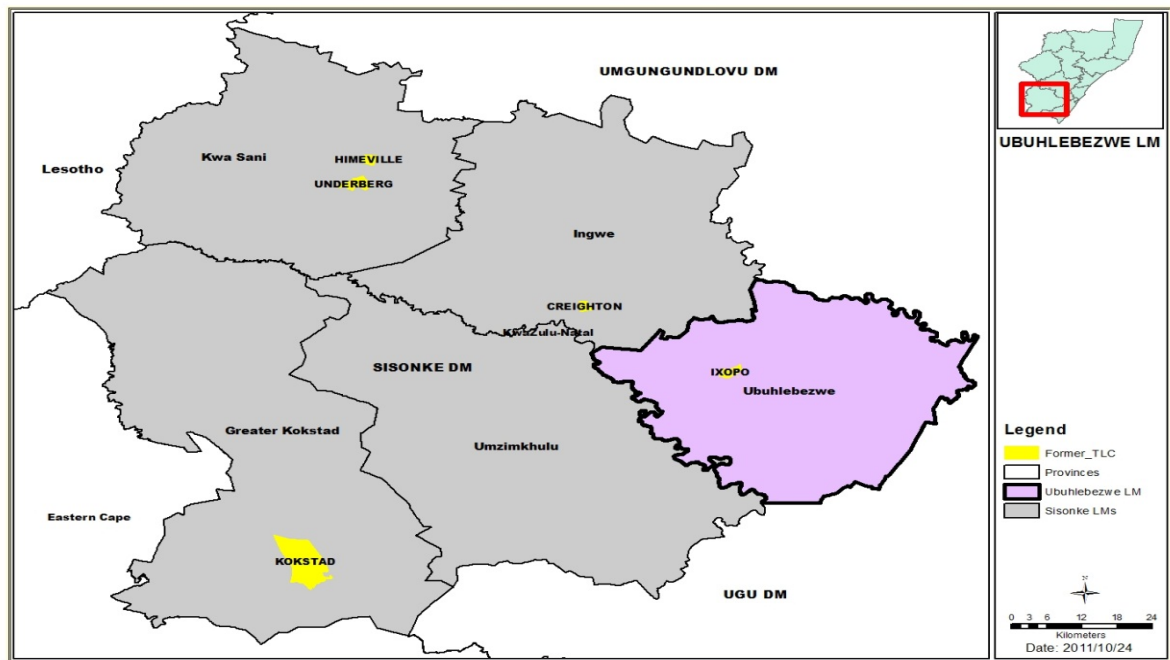
The 2010/2011 Annual Report has been prepared in accordance with the provisions of Section 121 and Section 127 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA) 32, of 2000.

### Other Legislative Mandates

The legislative mandates exercised by the UBuhlebezwe Municipality in terms of the local government legislative framework are as follows:

- Constitution of the Republic of South Africa (Act No. 107 of 1997)
- Municipality Structure Act (Act No. 117 of 1998)
- Basic Condition of Employment Act (Act no 137 of 1993)
- Intergovernmental Framework Act (Act No. 13 of 2005)
- Local Government: Municipal Planning and Performance Management Regulations.
- Local Government : Municipal Performance Regulations for Municipality Managers and Managers Directly Accountable to the Municipality Manager
- Municipality Supply Chain Management Regulations

## 1.6 Municipal Overview



MAP 1: LOCATION OF UBuhLEBEZWE WITHIN SISONKE DISTRICT

### UBuhlebezwe Municipality in context:-

It is located along its eastern boundary and it borders onto Ingwe, Richmond, Vulamehlo, Umzumbe and UMzimkhulu Local municipalities. It covers an area of approximately 162 744km and has a total population of about 80 905 people spread throughout the breadth and length of the area, with the majority being resident in traditional authority areas. It is strategically located along the midlands mist belt which is famous for high production potential agricultural land.

It is accessed through R 56 which is an inland corridor linking the north and the southern parts of the KZN Province, and R 612 which is generally a trade and tourist route linking Southern Drakensberg and the south coast.

The main administrative centre of the Municipality is the town of Ixopo, which is located approximately 85kmsouth east of Pietermaritzburg, capital of KwaZulu-Natal, and is strategically located at the intersection of four major provincial routes leading to Pietermaritzburg, the Drakensberg, the Eastern Cape and the South Coast.

The town of Ixopo forms the primary development node of the Municipality and has also been selected as the seat of the Sisonke District Council. The importance of Ixopo cannot be underestimated in the socio-economic development of the area as a whole. Ixopo plays an important role in terms of the possible location for industry, commerce and other economic activity. It is a major education and health centre and assists in the diffusion of new ideas and technologies to the rural areas. It is also the primary base for the operation of many departments and service providers.

## Key Demographic Information

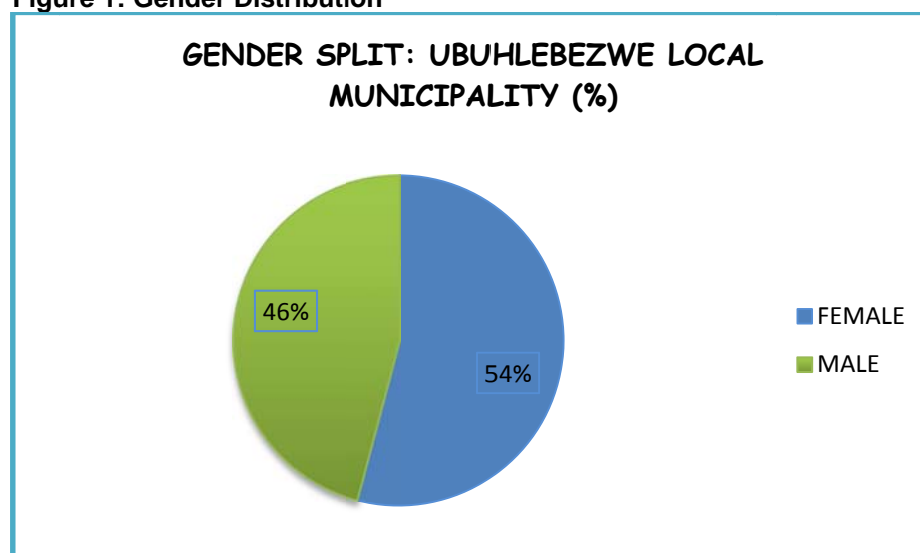
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<b>Population</b>	<b>80 905</b>
<b>Area Size</b>	<b>162 744km</b>
<b>No. of Household</b>	<b>21 084</b>

Gender		Population Group				Employment Status	
Female	Male	Black	Coloured	White	Indians	Employed	27,6%
54%	46%	97%	0,90%	1,96%	0,14%	Unemployed	16,6%
						Not economical active	55,6%

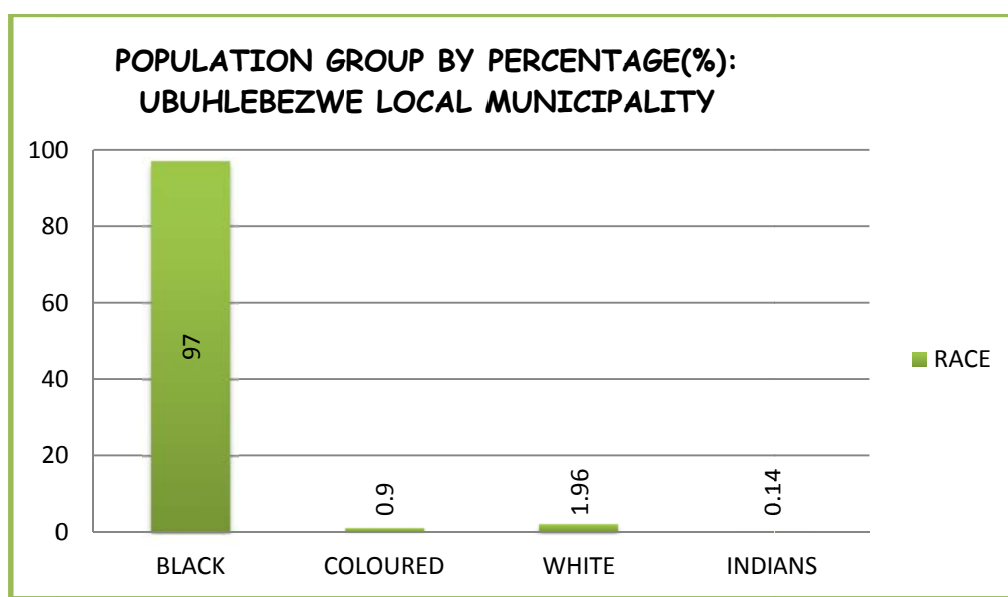
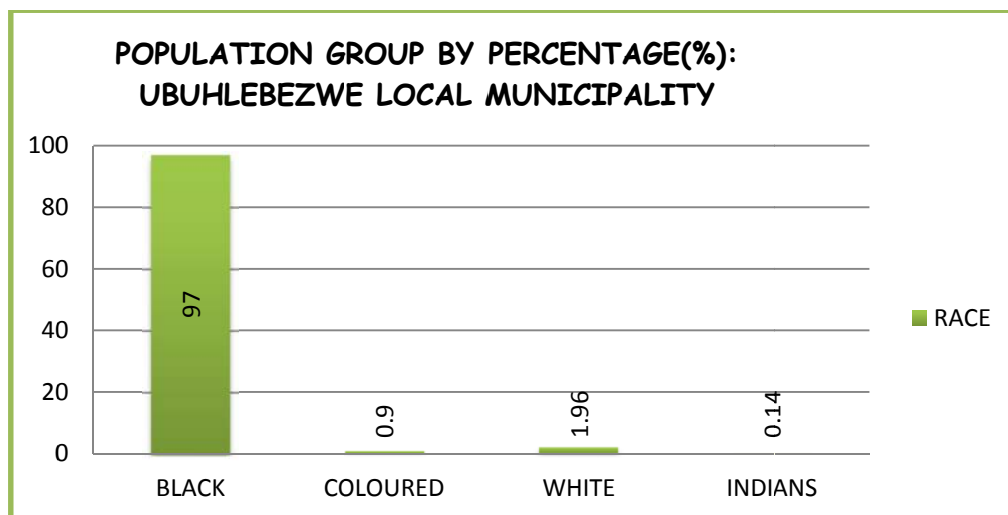
**Table 1 Gender and Population Distribution and Employment Status**

**Figure 1: Gender Distribution**

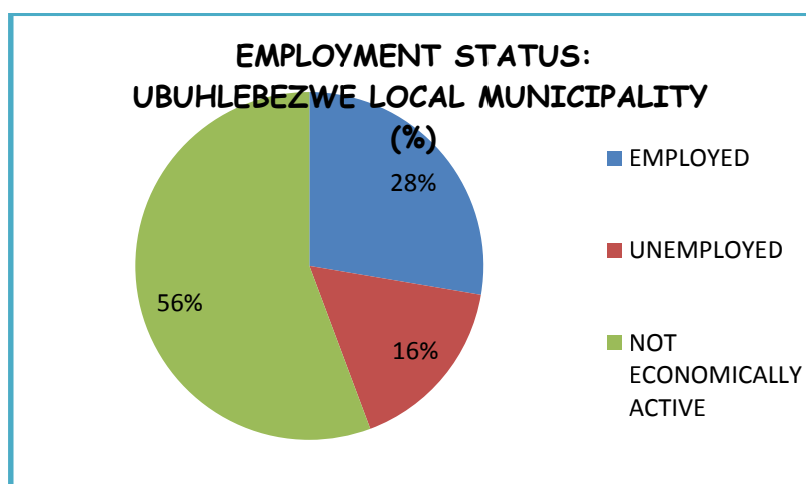


**Figure 2: Population Group**





**Figure 3: Employment Status**



## **Key Challenges**

- Lack of funding for the acquisition of the land for development and landfill site.
- A financial constraint – The municipality has a low revenue base and is highly dependent on Grant Funding.
- Skills – Inability to retain skills due to low salaries that are offered by the municipality
- Allocated funding versus backlogs (Limited funds for the Implementation of the CIP),
- Inability to attract economic and investment opportunities to the urban area and to extend it to other areas of the Municipality to ensure economic sustainability due to aging and inadequate infrastructure,
- Vandalism is a major challenge on all public facilities,
- Poor Information and Communication Technology

## **Key Features**

- High agricultural potential
- Areas of scenic beauty
- Potential Avi- Tourism endangered bird species (Blue swallows)
- Ixopo Public office Park
- Sisonke Farmers Market
- Seat of Sisonke District Municipality
- Ixopo Town Development offers a great opportunity for residential, commercial and other services
- Existing religious features, missions, Buddhist Retreat
- Rich Cultural History
- The oldest Narrow Gauge



## **Opportunities offered by UBuhlebezwe Municipality**

- Optimizing the opportunities presented by UBuhlebezwe location along R56 Secondary Corridor as identified in the PSEDs between Pietermaritzburg and the Eastern Cape, P68 Port Shepstone, St Faiths and Ixopo corridor and R612 linking Ixopo to the South Coast and the Southern Drakensberg.
- Tourism potential
- Agricultural and Forestry attributes in terms of soil types, climate diversity and rainfall
- Water Resources, UBuhlebezwe is bounded by UMzimkhulu River and Umkomaas River.
- UBuhlebezwe is the seat of the Sisonke District Municipality which strengthens the nodal status of

## **Governance**

The UBuhlebezwe Local Municipality is a Category B Municipality as defined under Section 3 of the Local Government: Municipal Structures Act, No. 117 of 1998 (Municipal Structures Act). The municipality is governed through a Council. The Council is made up of 24 Councillors, of which two are full-time Councillors, i.e. the Mayor and the Deputy Mayor. There is an Executive Committee which is made up of four members.

In line with Section 80 of the Municipal Structures Act, the Municipality currently has three multi-party Portfolio Committees, namely Planning and Infrastructure Committee; the Administration, Human Resources and Finance Committee and the Community and Social Development Committee.

## **Executive Committee**



**Cllr N J Peterson**  
**Her Worship Mayor**



**Cllr N C Vezi**  
**His Worship Deputy Mayor**  
**Ward 8**



**Cllr D W Khumalo (PR)**  
**EXCO Member (IFP)**  
**Ward 7**



**Cllr B E Mdlalose (PR)**  
**EXCO Member (ANC)**  
**Ward 4**

## Council

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budgets, policies, IDP, tariffs for rates and service charges. The Council consists of 23 members, two of whom are full-time. Table 2 depicts political and gender representation on Council

Table 2: Council and Gender Representation of Council

<b>PARTY</b>	<b>NO. OF COUNCILLORS</b>	<b>NO.OF FEMALES</b>	<b>NO.OF MALES</b>
<b>African National Congress(ANC)</b>	<b>17</b>	<b>4</b>	<b>13</b>
<b>Inkatha Freedom Party(IFP)</b>	<b>3</b>	<b>3</b>	<b>1</b>
<b>Democratic Alliance(DA)</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>NADECO</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>TOTAL</b>	<b>23</b>	<b>8</b>	<b>15</b>



## COUNCIL



Cllr E.P.N Phuphuma  
Ward 1(ANC)



Cllr EM.Nzimande  
Ward 2(ANC)



Cllr V. T. Nene  
Ward 3 (ANC)



Cllr S. C. Shezi  
Ward 4 (ANC)



Cllr F. Ndlovu  
Ward 5 (ANC)



Cllr B.P.Nzimande  
Ward 6(ANC)



Cllr N Jili(PR)  
Ward 6(ANC)



Cllr M.E.Mkhize(Whip)  
Ward 7(ANC)



Cllr T Ndlovu (PR)  
Ward 7(NADECO)



Cllr N.S. Gutshwa (PR)  
Ward 7 (IFP)



Cllr Z.D.Nxumalo  
Ward 9 (ANC)



Cllr S.P.Bhengu (PR)  
Ward 9(IFP)



Cllr M.Ngubo  
Ward 10(ANC)



Cllr S. Dlamini (PR)  
Ward 10(ANC)



Cllr J. Mtshali (PR)  
Ward 11(DA)



Cllr T. C. Dlamini  
Ward 12(ANC)



Cllr P.B.Manci (PR)  
Ward 12(IFP)





The table below indicates the statistical report on attendance of all Committee Meetings

**TABLE 1: STATISTICS REPORT ON SITTING OF  
COMMITTEES FOR 2010/2011**

<b>COMMITTEE</b>	<b>MEETING SCHEDULED</b>	<b>MEETINGS HELD</b>	<b>% MEETING HELD</b>
<b>COUNCIL</b>	<b>6</b>	<b>15</b>	<b>250</b>
<b>SCOPA</b>	<b>6</b>	<b>2</b>	<b>33</b>
<b>EXECUTIVE COMMITTEE</b>	<b>23</b>	<b>20</b>	<b>91</b>
<b>ADMINISTRATION, HUMAN RESOURCES AND FINANCE PORTFOLIO</b>	<b>7</b>	<b>2</b>	<b>29</b>
<b>PLANNING AND INFRASTRUCTURE PORTFOLIO COMMITTEE</b>	<b>8</b>	<b>3</b>	<b>38</b>
<b>COMMUNITY AND SOCIAL DEVELOPMENT PORTFOLIO COMMITTEE</b>	<b>8</b>	<b>3</b>	<b>38</b>

## **Portfolio Committees**

Portfolio Committees assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects. The Accounting Officer (Municipal Manager) and Section 57 Managers (Local Government: Municipal Systems Act No. 32 of 2000) attend Council, Executive Committee and Portfolio Committee meetings to represent the municipality's administration and to give an account of the achievement against targets set as part of the mandate obtained from the community and Council.

The roles and Responsibilities of the portfolio Committees are as follows:

### **Planning and Infrastructure Portfolio Committee**

The terms of reference of this committee are to advise and make recommendations to the Executive Committee on:

- To assist the Executive Committee: By advising on all matters, all legislation or prospective legislation relating to housing, building control, planning and infrastructure.
- To ensure the provision of housing and infrastructural services to the communities of the municipality in a sustainable manner.
- Advising EXCO on compilation and approval of the IDP and strategic planning exercises.
- Promoting the implementation of the IDP.

The Planning and Infrastructure Development Portfolio Committee may refer to EXCO for decision with or without a recommendation, any matters in which this committee is entitled to exercise any power.

### **Community and Social Development Portfolio Committee**

The terms of reference of this committee are to advise and make recommendations to the Executive Committee on:

- To assist the Executive Committee: by advising on all matters, all legislation, all prospective legislation relating to tourism, rural and local economic development, community services, Sports and Recreation, Heritage and Arts and Culture;
- By promoting social and economic development, promoting tourism opportunities, safety and security, disaster management, Health education, welfare and other social services

The Social and community Development Portfolio Committee may refer to EXCO for decision with or without a recommendation, any matters in which this committee is entitled to exercise any power.

## **Administration, Finance and Human Resources Portfolio Committee**

The terms of reference of this committee are to advise and make recommendations to the Executive Committee on:

- To assist the Executive Committee in maintaining the sound, viable and generally accepted financial systems.
- Advise the executive committee on matters relating to finance and budgeting.
- By ensuring that the values and principles set out in Section 195 of the Constitution are promoted throughout the Municipal Administration.
- To advise the Executive committee on all matters relating to administration, communication and information technology
- Advise the Executive Committee on all matters relating to human resources.
- The Administration, Finance and Human Resources Portfolio Committee may refer to EXCO for decision with or without a
- Recommendation, any matters in which this committee is entitled to exercise any power.

## **New Council Leadership**

Term of office for the political leadership that assumed office in 2006 came to an end in May 2011. By the 3rd of June 2011 new Council was inaugurated last the hence pictures below indicates new council as the elections were held before the last month of the financial year

In the Inauguration meeting that is where Councillor Z D Nxumalo was elected as a Mayor, Councillor M. E. Mkhize as a Deputy Mayor, Councillor N. J. Peterson as Speaker and Councillor B. P. Nzimande as Chief Whip. Portfolio Committees were established and are functional. Council induction programme was conducted by SALGA.

## **Executive Committee**



**Cllr. Z. D. Nxumalo**

**His Worship the Mayor (ANC)**



**Cllr M. E. Mkhize**

**His Worship the Deputy Mayor  
(ANC) Ward 7**



**Cllr. E. Ngubo**

**EXCO Member (ANC)  
Ward 7**



**Cllr M Q Dlamini**

**EXCO Member (NFP)  
(Ward 6)**

## NEWLY ELECTED COUNCIL

**Table 3: Council and Gender Representation Of Council**

<b>PARTY</b>	<b>NO. OF COUNCILLORS</b>	<b>NO.OF FEMALES</b>	<b>NO.OF MALES</b>
<b>African National Congress(ANC)</b>	<b>18</b>	<b>6</b>	<b>12</b>
<b>Inkatha Freedom Party(IFP)</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Democratic Alliance(DA)</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>National Freedom Party(NFP)</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>TOTAL</b>	<b>24</b>	<b>8</b>	<b>16</b>

## NEWLY ELECTED COUNCIL



**Cllr. N. J. Peterson (ANC)**

**Honourable Speaker**

### **Ward Councillors**



**Cllr Z. V. Shange (ANC)**  
**Ward 1**



**Cllr C.M. Ngubo (ANC)**  
**Ward 2**



**Cllr M.C. Ndlovu (ANC)**  
**Ward 3**



**Cllr S C Shezi (ANC)**  
**Ward 4**



**Cllr M.C. Sithole (ANC)**  
**Ward 5**



**Cllr B.P.Nzimande (ANC)**  
**Ward 6 (Whip)**



**Cllr E.B.Ngubo (ANC)**  
**Ward 7**



**Cllr G.P.Nzimande (ANC)**  
**Ward 8**



**Cllr N.M Mdunge (ANC)**  
**Ward 9**



**Cllr S. H. Dlamini (ANC)**  
Ward 10



**Cllr T P Dlamini (ANC)**  
Ward 11



**Cllr T. C. Dlamini(ANC)**  
Ward 12

## **PR Councillors**



**Cllr C.N. Ntabeni(ANC)**  
Ward 2



**Cllr D Ram(DA)**  
Ward 4



**Cllr G J Ngongo(IFP)**  
Ward 5



**Cllr T.T. Mkhize (ANC)**  
Ward 6



**Cllr M.E Mkhize (NFP)**  
Ward 7



**Cllr S.M.Msimango (IFP)**  
Ward 8



**Cllr H.C.Jili (ANC)**  
Ward 11



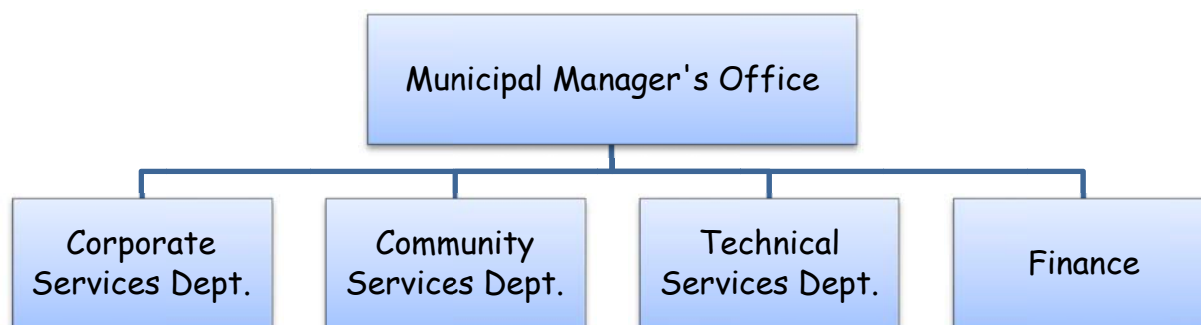
**Cllr W.S.Tenza (NFP)**  
Ward 11



## Administrative Structure

The Acting Municipal Manager is leading the management team of UBuhlebezwe Municipality to carve out and consolidate a strategic direction fitting to the current circumstances of the Municipality. It is a positive attribute that at this juncture many management positions, especially Section 57 positions, have been filled and the management team is in the midst of identifying their strategic starting positions... The management team reflected below constitutes the Management Committee of the UBuhlebezwe Municipality. The Heads of Department, who hold the designation of Directors, report to the Municipal Manager who in turn reports to the Mayor.

The municipal organisational structure includes the following Departments:





## **CHAPTER TWO: PERFORMANCE HIGHLIGHTS AND CHALLENGES**

<b>CONTENT</b>	<b>PAGE</b>
<b>2.1 Basic Service Delivery and Infrastructure Development</b>	<b>32-38</b>
<b>2.2 Financial Viability and Management</b>	<b>38</b>
<b>2.3 Municipal Transformation and Institutional Development</b>	<b>39</b>
<b>2.4 Social and Local Economic Development</b>	<b>40-42</b>
<b>2.5 Good Governance and Public Participation</b>	<b>42</b>

## **2.1 Basic Service Delivery and Infrastructure Delivery and Infrastructure Development**

### **2.1.1 Highlights**

#### **Project Management Unit**

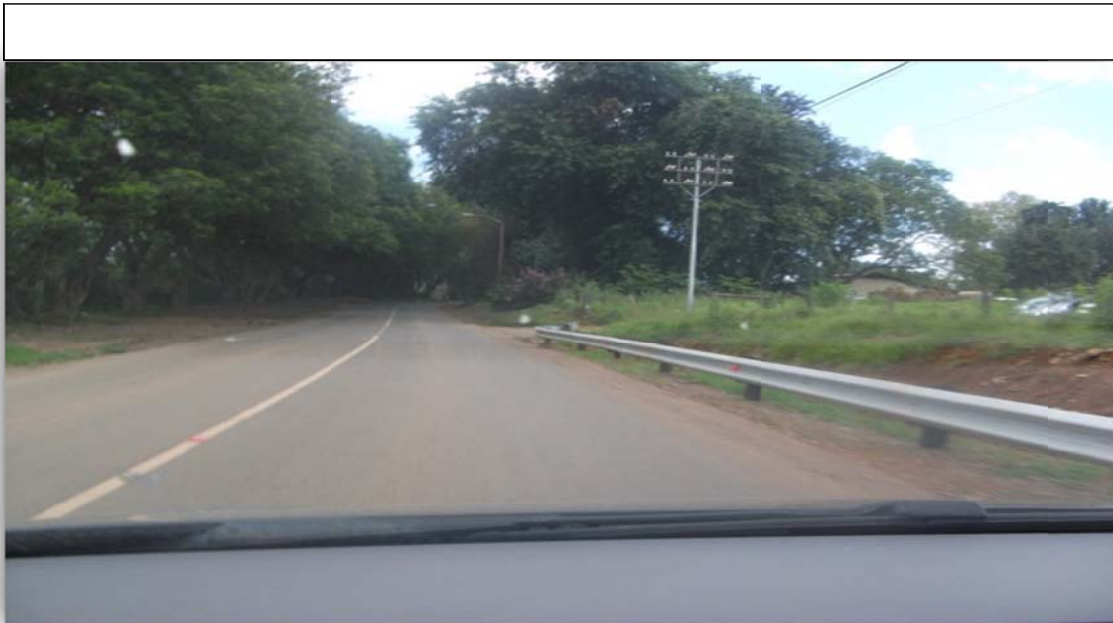
The Project Management Unit is a section within the Technical Services Department which is responsible for the implementation of all MIG Projects and any other infrastructural projects within the Municipality. It also has to ensure that the infrastructure is increased, upgraded and maintained properly.

Ubuhlebezwe Municipality has entered into annual contracts with three service providers for labour, plant and materials to fast-track the maintenance programme of existing infrastructure such as community halls, sports-fields and access roads. For the 2010/2011 financial year this department has managed to spend 100% of MIG funding totaling to R14, 400 000.00.

Within our capital funding the department has managed to employ 540 local labourers where 380 were youth and 172 female.

#### **Small Town Rehabilitation Programme**

The department managed to source funding in the amount of R11,500 000.00 from the Department of Corporative Governance and Traditional Affairs through the Small Town Rehabilitation Programme. This funding was utilized in the rehabilitation of the 3 town roads, namely, Margaret, Main and High street as well as the installation of street lights and street name signs.





## **Housing**

Over the past 10 years, the municipality has managed to build 1621 houses (Fairview, Mahehle Phase 1 and Mziki Agri-Village). There is still a challenge of water and electricity in the Mziki project which leads to beneficiaries not willing to move into their houses.

In this financial year there are only 2 projects in the construction stage namely, Sponya Housing Project in Ward 8 with 700 units and Sangcwaba Housing Projects in Ward 5 with 500 units.

### **Sponya Rural Housing Project**

The project size is 700 units. It sits in Ward 7 under the Municipal Area under the Ikwezi Lokusa Traditional Area.

Construction progress to date is as follows:

- 97 floor slabs have been cast
- 55 wall plates
- 7 houses ready for inspection.

### **Sangcwaba Rural Housing Project**

This project is located in Ward 5 under the Municipal Area. It falls under the Vumukwenza Traditional Area. The project size is 500 units. The Sangcwaba Housing Project was advertised early 2004. The tender process was undertaken via the Municipal procurement process in conjunction with the then Department of Housing, now the Department of Human Settlements.



The project was blocked due to an investigation but in 2006 Ubuhlebezwe Municipality proceeded to unblock the project. The Municipality formally engaged with the Department of Human Settlements, as Funder, in this matter.

Construction commenced in 2010. Construction progress to date is as follows:

- Pegged sites : 352
- Platforms cut : 346
- Platforms poured : 310



5 other projects are currently in the planning stage (Ithubalethu in Ward 4 with 384 units, Mahehle Phase 2 in Ward 1 with 500 units, Mfulomubi in Ward 7 with 1000 units, Kwathathani in Ward 10 with 500 and Ibhobhobho in Ward 5 with 500 units) for construction to commence in the 2012/ 2013 financial year.

### **Building Inspectorate**

The Department has strengthened the function of this unit by compiling a weekly schedule in terms of consultation hours as well as inspection days. The municipality has gone the extra mile with regard to illegal buildings, by issuing notices to all residents and businesses with illegal structures.



**Public Office Park by Department of Public Works**



The following table indicates the number of major building plans approved as at 30 June 2011.

**Table 4: Building Plans**

<b>NEW DWELLINGS</b>			
<b>WARD</b>	<b>TYPE OF BUILDING</b>	<b>PROPERTY DESCRIPTION</b>	<b>RAND VALUE</b>
<b>2</b>	Residential	Sub 5 of 1 of 132	R200,000.00
<b>2</b>	Residential	Portion 2 of 1 of Erf 36	R350 000.00
<b>2</b>	Residential	Lot 526	R35,000.00
<b>8</b>	Residential	Hluthankungu	R400 000,00
<b>2</b>	Residential	Lot 243	R450 000.00
<b>2</b>	Residential	Lot 528	R300 000.00
<b>11</b>	Residential	Nokweja Location	R350 000.00



COMMERCIAL STRUCTURES			
BUSINESS NAME	TYPE OF STRUCTURE	PROPERTY DESCRIPTION	RAND VALUE
Bamboo Rock properties	Shops	Lot 13	R4,5000 000.00
Moneyline Investments	Shopping Complex	Sub 1 of Lot 43	R3,500 000.00
Zevoli 253(PTY)(LTD)	Shops	Sub 1 of 285	R1 5000 000.00
Hashaad Investments	Shops/Offices	Sub 1 of the Farm Experanza 1938	R1 970 000.00
PUBLIC BUILDINGS			
BUSINESS NAME	TYPE OF STRUCTURE	PROPERTY DESCRIPTION	RAND VALUE
Dept of Public Works	Public Office Park	Ptn 14 of 6 of the Farm Landsdowne,14684	R 6 400 000.00
Dept of Public Works	Clinic	Lot 176	R4 500 000.00
Sisonke District Municipality	Disaster Management Centre	Lot 5 of 419	R3 000 000.00

### Solid Waste Management

In order to ensure better cleanliness of the town and surrounding areas the municipality has introduced a working shifts system and placed 18 skip bins in the highest waste generating points in Ixopo and Highflats. The Municipality has recently modified the refuse truck to be able to load skip bins. Changes are already being noticed in the cleanliness of town.

### Parks and Gardens

In a continuous drive to ensure a cleaner, greener and town beautification, the municipality has extended its greening exercise by planting of Trees, Shrubs and Flowers at the 5 entrances leading to Ixopo Town. This project is one of the projects identified in the Ixopo Urban Regeneration Strategy. Grass cutting is still on-going to maintain all road verges within the towns and formal residential areas.

The municipality is striving to be one of the “Green” destinations of KZN. Through this, the municipality participated in greenest municipality competitions. Through this, the municipality has won the following awards:

- ✓ Greenest Municipality in the B3 Category within Sisonke DM with a price of R60, 000.00
- ✓ Most improved municipality within Sisonke DM with a price of R15, 000.00



## **Job Creation**

The rate of unemployment is high in the municipality. Ubuhlebezwe municipality encourages the creation of job opportunities for the communities. The municipality as a developing agent has resolved that employment should be created during the implementation of projects within the Municipality and that local people be employed during implementation. This information has been communicated with all service providers and contractors who have been awarded bids.

During 2010/2011 financial year the following 540 jobs were created and can be broken down as follows:

**No of Labour : 540**

**Youth : 380**

**Women : 172**

## 2.1.2 Key Challenges

- Water and electricity connection delays
  - Shortage of human resources to undertake field work.
  - Vandalism of public facilities.
  - Gaps within the maintenance programme.
  - Weak communication lines with sector departments
  - Illegal dumping of refuse
  - No designated site for solid waste dumping in Highflats
  - Accessibility of the current dumping site in UMzimkhulu during rainy days
- 

## 2.2 Financial Viability and Financial Management

### 2.2.1 Highlights

It is acknowledged that Ubuhlebezwe Municipality is Grant dependent and mainly rural. Although the Municipality has a moderate Rates Base; the income from Rates does not constitute a significant revenue stream.

The Municipality has an agreement with the Department of Transport and generates a good proportion of its revenue from Driver License and Motor vehicle Testing. The other source of revenue is the provision of a refuse service; however this service does not generate sufficient revenue for sustainability.

The Municipality has over a number of years built up a significant Investment profile,

- Improvement in procurement processes
  - Reviewed financial policies adopted by Council;
  - Establishment of the Supply Chain Management Unit
  - Trained newly appointed Councillors on budget process and adopted budget;
  - Improved cash flow management;
  - Recovery of long outstanding debt from government Departments
  - Submitted annual financial report timeously; and
  - Developed SMME's database that is linked to the financial system to enable fair rotation of suppliers.
  - The development and implementation of the approved procurement plan
  - Unqualified Audit opinion

### Challenges

- Urgent reports that are required from the department which needs a day or two to prepare that might lead to the municipality submitting reports.
- Non-compliance with Generally Recognized Accounting Practices (GRAP) regarding asset management: requirement is to comply by 2012/2013
- Low revenue collection rate
- Incorrect billing due to inaccurate ratepayers data
- Skills shortage
- Inability to utilize the financial systems full potential due to ICT challenges

## **2.3 Municipal Transformation and Institutional Development**

### **Highlights**

- Three critical managerial posts were filled, namely, SCM Manager, Project Manager (technical) and LED/ Tourism Manager and there were no employee resignations
- An event was held for the first time on the 9th December 2010 to award certificates for long service to employees who have been in the employ of Ubuhlebezwe Municipality for 10 years and more.
- Upgrade of the Registry section with the installation of fireproof filing units and the review of the file plan and procedural manual in compliance with the National Archives and Records Systems Act.
- Newly elected Councillors attended an induction workshop arranged by COGTA and a strategic planning workshop as held June 2011 where each department gave a presentation on overview, status quo, challenges & proposed solutions.
- Efficiency in the committee section was improved wherein agendas are now being issued at least 4 days before the date of the meeting and a resolutions book was compiled containing all Council and Executive Committee resolutions.
- Municipality was granted an eviction order to evict an illegal occupant who has been occupying municipal property illegally since 2004.
- Approval and promulgation of the Municipal Bylaws
- Compilation, review and workshopping of all municipal employees on the HR Policies
- Full implementation of the WSP therefore facilitating staff output and services to the public
- Training conducted for all Local Labour Forum members resulting in the improvement of the functionality of the forum

### **Challenges**

- Lack of relevant skilled personnel
- Vandalism is of municipal owned properties
- Poor Information Technology system
- Ineffective controls over staff time and attendance
- Shortage of office space

## **2.4 Social and Local Economic Development**

### **Highlights**

- Sourced funding from DEDT and developed Tourism Strategy and an Implementation Plan .Budget provision will be made in the 2012/2013 financial year for implementation. The LED and Tourism unit has been enhanced with the appointment of the Manger LED and Tourism.
- Strengthened the functionality of the LED/Tourism Forum which meets once a quarter.
- Developed and adopted the Customer Satisfaction Survey to improve service delivery in accordance with customer needs.
- Trained emerging local business people on bricklaying and carpentry respectively.
- Ixopo testing station is one of the two remaining stations in operation within the Sisonke District Municipality.
- The Traffic Department has managed to increase its revenue from of R2, 3 million in 2009/2010 to R 2, 6 million in 2010/2011.
- Due to the increased demand, the municipality has trained and multi-skilled internal 3(three) Traffic Officers on drivers and vehicle examinations to reduce backlogs in drivers and vehicle testing and therefore providing a more efficient service.
- Hosted the Mayoral Cup to promote local soccer talent





Mayoral Cup



- Hosted the Crafters Exhibition & attended the Sisonke District Municipality's crafters exhibition.
- Participated in KwaNaloga Games  
Adopted the Urban & regeneration strategy, LUMS/SDF
- Appointed a Senior Town Planner & GIS Administrator through SDM shared services
- Financially supported 15 students to pay their tuition fees and registration fees
- Hosted the Youth festival
- Customised and adopted the Ward Committee Election Guideline Policy and conducted Awareness Campaigns on ward committee election process.

## 2.5 Good Governance and Public Participation

Ubuhlebezwe places a high premium on Community Participation. The community is involved in the decision making as well as determining of priorities to be included in the IDP and Budget. All this is done in collaboration with the assistance of political office bearers.



IDP Road Show



**CHAPTER  
THREE****HUMAN RESOURCES AND  
ORGANISATIONAL MANAGEMENT OTHER****CHAPTER THREE: HUMAN RESOURCE AND OTHER  
ORGANISATIONAL MANAGEMENT**

<b>CONTENT</b>	<b>PAGE</b>
<b>3.1 Organisational Structure</b>	<b>44</b>
<b>3.2 Human Resources Profile</b>	<b>45-48</b>
<b>3.3 Staffing information</b>	<b>49-50</b>

## 1.1 Organisational Structure



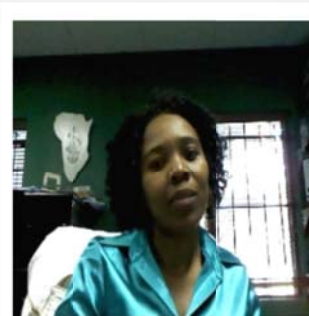
**Acting Municipal Manager: Mr H F Jacobs**



**Director: Corporate Services  
Mrs S N Chili**



**Director: Technical Services  
Mr N E Biyase**



**Chief Financial Officer  
Mrs D M Mohapi**



**Director: Community Services  
Mr F V Gumede**

As depicted in the organogram above, the Ubuhlebezwe Municipality has four departments. Each department is headed by the Director who is a section 57 employee (meaning that he/she is on a five-year employment contract and a yearly performance agreement and reports directly to the Municipal Manager). The Municipal Manager in turn reports to the Executive Committee, via the Mayor, who is the chairperson of the Executive Committee. The Municipal Manager is assisted by the internal audit and independent performance audit and audit committee in meeting his accountability requirements as prescribed in the MFMA. The internal audit unit is outsourced. This unit provides an array of audit and evaluation activities. More information pertaining to functioning of internal audit and audit committee is described in Chapter 5.

Of the five section 57 employees' positions, one (Municipal Manager) was vacant during the year under review.

There are five portfolio committees; each one corresponding to the municipal departments. Portfolio Committees are headed by a chairperson, who is the member of an Executive Committee.

### 3.2 Human Resources Profile

#### Employment Equity

One of the Human Resources function is to render a professional support service that is well aligned to the municipality's Integrated Development Plan (IDP) as well as to the needs of the municipality's stakeholders and customers. UBuhlebezwe Municipality has just over 100 employees.

**Table 5: Employment Equity statistics**

Target Group	Level of Representation	% of Total Workforce
African female	46	46
African male	59	59.9
Coloured female	2	0,02
Coloured male	4	0,04
Indian female	2	0,02
Indian male	1	0.01
White female	-	-
White male	1	0.01

What is notable in table 5 above is that 60% of the staff complement is males, of which 59.90% is Africans, 0, 01% is Indians, 0, 01% Whites and 0, 04 Coloureds. What is also notable in the table 5 above is 46,04% of the staff complement is females, of which 46% is Africans, 0,02 is Indians, 0% i0,02 is Coloureds and no whites

**Table 6: Total Workforce – Profile Employees with Disabilities**

Target Group Gender & Race	Level of Representation	% of Total Workforce
African female	-	-
African male	-	-
Coloured female	-	-
Coloured male	-	-
Indian female	-	-
Indian male	-	-
White female	-	-
White male	-	-

It is evident in Table 6 that the Municipality had no junior disabled no senior staff member

**Table 7: Employment Equity for Top Management Level (Section 57 Managers)**

Target Group	Level of Representation	% of Total Workforce
African female	2	0,02
African male	2	0.02
Coloured female	-	-
Coloured male	-	-
Indian female	-	-
Indian male	-	-
White female	-	-
White male	0	0

**Table 8: Pension and Medical Aid**

Pension Fund	Medical Aid Funds
Natal Joint Municipal Pension Fund	Key Health
	Bonitas
	SAMWU Med
	LA Health

**Table 9: Staffing Levels As At 30 June 2011**

Directorate/Department	Complement	Vacancies	Actual
Councillor and Secretarial Staff	139	15	139
Municipal Manager	1	0	1
Community Services Department	1	0	1
Technical Services Department	1	0	1
Budget and Treasury Department	1	0	1
Corporate Services Department	1	0	1
Total	144	15	144

**Table 10: Staff Costs Reflected As a Percentage of Totals Operational Expenditure**

Directorate/Department	2008/2009	2009/2010	2010/2011
	R	R	R
Salaries	14,784,105	18,093,498	24,600,009
Total operational expenditure	22,998,045	42,540,861	19,674,344
Salaries % of total operational expenditure	62.1%	42.5%	0,56%

**Table 11: Qualification profile (leadership and governance and senior managers)**

	Below NQF 1	NQF 1	NQF 2	NQF 3	NQF 4	NQF 5	NQF 6	NQF 7	NQF 8
<b>Mayor</b>					1				
<b>Councillors</b>		4	3	4	2	4	4	2	
<b>Municipal Manager</b>						1	1		1
<b>Budget and Treasury</b>				3	2	6	3	1	
<b>Community Services</b>				1	14	2	1	1	
<b>Disaster Management</b>									
<b>Traffic Department</b>									
<b>Technical Services Department</b>	6	8	6	15	4	4	1	1	
<b>Corporate Services</b>		1	4	2	3	3	1		
<b>TOTAL</b>	6	4	3	4	3	6	8	3	1

**Table 12: Disclosures concerning Councillors, Directors and Senior Officials for the period 01 July 2010 to June 2011**

	2011	2010
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration		249 187
Performance- and other bonuses	-	0
Travel, motor car, accommodation, subsistence and other allowances	-	146 863
Contributions to UIF, Medical and Pension Funds	-	4 278
2010/2011 - There was no Permanent Municipal Manager		
<b>Total</b>	<b>-</b>	<b>400 327</b>
<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	486 900	221 600
Travel, motor car, accommodation, subsistence and other allowances	93 100	63 661
Contributions to UIF, Medical ,Pension Funds and Skills levy	7 163	3 689
<b>Total</b>	<b>587 163</b>	<b>288 950</b>
<b>Remuneration of Individual Executive Directors</b>		
<b>Technical Services</b>		
Annual Remuneration	334 167	289 333
Travel, motor car, accommodation, subsistence and other allowances	195 833	12 000
Contributions to UIF, Medical and Pension Funds	6 458	4 170
<b>Total</b>	<b>536 458</b>	<b>305 503</b>
<b>Corporate Services</b>		
Annual Remuneration	528 500	401 532
Travel, motor car, accommodation, subsistence and other allowances	1 500	18 556
Contributions to UIF, Medical and Pension Funds	6 847	5 724
<b>Total</b>	<b>536 847</b>	<b>425 812</b>
<b>Community Services</b>		
Annual Remuneration	434 900	287 042
Travel, motor car, accommodation, subsistence and other allowances	95 100	95 567
Contributions to UIF, Medical and Pension Funds	6 659	4 884
<b>Total</b>	<b>536 659</b>	<b>387 493</b>
<b>REMUNERATION OF COUNCILLORS</b>		
Mayor	509 545	509 938
Deputy Mayor	248 680	227 369
Speaker	198 449	227 370
Executive Committee Members	564 727	458 777
Councillors' allowances	2 865 376	2 795 617
Cellular Allowance	265 947	
<b>Total Councillors' Remuneration</b>	<b>4 652 724</b>	<b>4 219 072</b>

### 3.3 Staffing Information

#### Skills Development Programme

The employment equity guidelines form an integral part of planning for training as reflected in the Skills Development Act. The Municipality has developed a comprehensive Workplace Skills Development Plan for the period under review in line with the said Act and the Plan was submitted to the Department of Labour as required by the Act. The Municipality is registered with the Local Government Sector Education and Training Authority (LGSETA) and skills development initiatives relating to the municipal core services have been carried out at all levels of employment. During the period under review, the Municipality contributed R392 953.00 to skills development and claimed R 40 427 45 in skills levies from the LGSETA.

The following Skills programme were undertaken:

SKILLS PROGRAMME	TOTAL NO OF PARTICIPANTS TRAINED
ELMDP	2
Local Government Specialist Certificate	2
OEDT	5
<b>Total</b>	
<b>COUNCILLOR'S TRAINING</b>	
ELMDP	2
Local Government specialist certificate	2
IDP	15

In an effort to ensure better, efficient and effective service delivery the municipality has seen the importance of staff development.

#### Minimum Competency Levels for Senior Management

The Municipal Finance Management Act, Sections 83, 107 and 119 prescribe that the Accounting Officer, Senior Managers, the Chief Financial Officer and other financial officials of a municipality must meet the financial management competency levels prescribed by regulation. National Treasury issued regulations on Minimum Competency Levels on 15 June 2007. The regulations prescribe the minimum competency levels for the following categories of employees: Accounting Officers of municipalities and municipal entities; • Chief Financial Officers of municipalities and municipal entities; • Senior Managers of municipalities and municipal entities;

#### Section 57 Managers: CPMD

Currently, there are plans to enrol Directors (S57) and Councillors that have been identified to attend the CPMD Programme, in order to meet the Minimum Competency Level Requirements



## Internship Programme

The Municipality continues to implement the internship programme, with the view of providing qualified unemployed graduates with practical experience in order for them to become employable. The distribution of interns are as follows:

AREA OF FOCUS	NO OF INTERN
Financial Management	5
Town and Regional Planning	1

## Bursaries

The programme emanated from the influx of young people in the Municipal area who were disadvantaged financially but excelled academically. Many of these young people have completed their schooling and are unemployed but are willing to pursue their careers. The following table indicates the number of students that have been awarded bursaries in different field of study.

### FULL BURSARIES

The table below reflects bursary allocations issued in accordance with the requirements per individual student, considering the term (Semester or annual) in which the course has been offered.

No.	Name & Surname	Institution	Area of Interest	Amount
1	Philisiwe R Xesibe	MUT	Electrical Engineering	R 5307
2	Ziningi N Kheswa	MUT	Electrical Engineering	R 4607
3	Sinenhlanhla P Hlengwa	MUT	Quantity Surveying	R 14 504
4	Mfundo W Magoso	UNIZULU	Nursing Science	R 3900
5	Neliswa F Mkhize	DUT	ND in Accounting	R 10 000
6	Sibonelo L Mbanjwa	DUT	Electrical Engineering	R 8853
7	S'bonelwesihle M Nkundla	MUT	Civil Engineering	R 10 000
8	Sanele E Mkhize	DUT	Mechanical Engineering	R 4 135

**Sub –Total = R 61 306**

### REGISTRATION FEE

No.	Name & Surname	Institution	Area of Interest	Amount
1	Sibusisiwe P Zulu	UKZN	BSSC	R 4000
2	Thokozani E Memela	UNISA	B. of Social Work	R 1300
3	Thabiso G Hadebe	MUT	Electrical Engineering	R 4000
4	Kevin LT Mthethwa	DUT	Sport Management	R 4000
5	Xolani K Zulu	DUT	IT	R 4000
6	Thelumusa S Sibisi	DUT	Diploma in TFA	R 4000
7	Mboniseni S Biyase	UNISA	Comm. Dev.	R 1874
8	Lungani MI Mvemve	DUT	ND in Taxation	R 4000
9	NP Hlongwana	UNISA	N/A	PAID

**Sub-Total = R 27 174**

**GRAND TOTAL = R 88 480**

**CHAPTER  
FOUR**
**AUDITED FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 30 JUNE 2011 AND RELATED  
FINANCIAL INFORMATION**
**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL  
LEGISLATURE AND THE COUNCIL ON UBUHLEBEZWE MUNICIPALITY**
**REPORT ON THE FINANCIAL STATEMENTS**
**Introduction**

1. I have audited the accompanying financial statements of the Ubuhlebezwe Municipality, which comprise the statement of financial position as at 30 June 2011, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages five( 5) to fifty four(54).

**Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DORA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice No.1111 of 2010* issued in *Government Gazette No. 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ubuhlebezwe Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DORA.

### **Emphasis of matters**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### **Significant uncertainty**

9. As disclosed in note 37.1 to the financial statements, the municipality is in the process of terminating a long term lease agreement with the lessee. The lessee is opposing the termination of the lease agreement. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

### **Restatement of corresponding figures**

10. As disclosed in note 32 to the financial statements, the corresponding figures for the year ended 30 June 2010 have been restated as a result of errors discovered during 2010-11 in the financial statements of the Ubuhlebezwe Municipality at, and for the year ended, 30 June 2011.

### **Irregular expenditure**

11. As disclosed in note 33.3 of the financial statements, irregular expenditure amounting to R10, 9 million was incurred, as the Municipal Supply Chain Management (SCM) Regulation (GRN868 of 30 May 2005) (Municipal SCM Regulations) was not followed in the procurement of goods and services.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

12. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I include below my findings on the annual performance report set out on pages one (1) to eight (8) and material non-compliance with laws and regulations applicable to the municipality.

**Predetermined objectives****Presentation of information**

13. The following criterion is relevant to the finding below:

- Performance against predetermined objectives was reported using the National Treasury guidelines.

14. The following audit finding relates to the above criterion:

**Measures taken to improve performance were not explained in the report on predetermined objectives**

15. Measures taken to improve performance were not provided in the performance report, as required in terms of section 46(1)(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA). In total 94% of the reported targets where improvement is required, was not explained.

**Usefulness of information**

16. The following criteria are relevant to the findings below:

- Measurability: Indicators are well-defined and verifiable, and targets are specific, measurable and time bound.
- Consistency: The reported objectives, indicators and targets are consistent between the planning and reporting documents.

17. The following audit findings relate to the above criteria:

**Planned and reported indicators are not well defined**

18. For the selected objectives, 36% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently.

**Planned and reported targets are not measurable and time bound**

19. For the selected objectives, 26% of the planned and reported targets were not measurable in identifying the required performance.

20. For the selected objectives, 28% of the planned and reported targets were not time-bound in specifying the time period or deadline for delivery.

**Reported objectives, indicators and targets are not consistent and complete when compared with the planned objectives, indicators and targets**

21. Reported performance against predetermined objectives, indicators and targets is not consistent with the approved integrated development plan.

22. The actual achievements with regard to 26% of all planned indicators and targets specified in the integrated development plan for the year under review were not included in the report on predetermined objectives submitted for audit purposes.

**Reliability of information**

23. The following criteria are relevant to the findings below:

- Validity: Actual reported performance has occurred and pertains to the entity
- Accuracy: Amounts, numbers, and other data relating to reported actual

performance have been recorded and reported appropriately

- Completeness: All actual results and events that should have been recorded have been included in the annual performance report.

24. The following audit findings relate to the above criteria:

**The validity, accuracy and completeness of reported performance against targets could not be confirmed as inadequate supporting source information was provided**

25. For thirteen reported targets, in the SDI program, that are material by nature, the validity, accuracy and completeness of the reported targets could not be established as sufficient appropriate audit evidence and/or relevant source documentation could not be provided.

**Compliance with laws and regulations**

**Procurement and contract management**

26. The preference point system was not applied in procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act and Municipal SCM Regulation 28(1)(a).

27. Goods and services with a transaction value of between R10 000 and R200 000 were not procured by means of obtaining written price quotations from at least three different prospective providers, as per the requirements of the Municipal SCM Regulations 17(a) & (c).

28. Quotations were accepted from prospective providers who are not on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of Municipal SCM Regulations 16(b) and 17(b).

29. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by the Municipal SCM Regulation 27(3).

**Expenditure management**

30. The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

31. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.

**Strategic planning and performance management**

32. The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury, and the provincial treasury, as required by section 72(1)(b) of the MFMA.

**Annual financial statements, performance and annual report**

33. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 (1)(a) of the MFMA. Material misstatements of expenditure, assets and liabilities, identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

**INTERNAL CONTROL**

34. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No.3387.2 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies regarding the findings on the annual performance report and the findings on compliance with laws and regulations.

**Leadership**

35. The accounting officer did not exercise oversight responsibility over procurement of goods and services to ensure that they complied with the requirements of Municipal SCM Regulations.
36. The municipal council did not exercise oversight over the preparation of the annual organisational scorecard to ensure that it contains indicators which are well defined and verifiable and targets which are measurable and time bound.

**Financial and performance management**

37. The chief financial officer did not implement effective controls to ensure that the financial statements submitted for audit were free of material misstatements.
38. The IDP/PMS Manager has not performed a proper review of the annual performance report to ensure that approved indicators and targets are consistently and completely recorded.

**Governance**

39. The internal audit function did not assist management in maintaining efficient and effective controls over performance records and schedules, by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.
40. The performance audit committee did not provide assurance to council on the credibility of performance against predetermined objectives by evaluating and monitoring responses to risks and providing oversight over the performance information process.

## OTHER REPORTS

### Investigations completed

41. An investigation was conducted by an independent consulting firm on the request of the municipality. The investigation was initiated based on the allegation of possible irregularity in relation to the SCM processes. The investigation resulted in the suspension of the employee.

*Auditor-General*

Pietermaritzburg

30 November 2011





**MUNICIPAL ACTION PLAN REPONDING TO AUDITOR-GENERAL'S COMMENTS**

Category	Ref	Findings	Action Plan	Responsibility
Significant uncertainty	9	As disclosed in note 37.1 to the financial statements, the municipality is in the process of terminating a long term lease agreement with the lessee. The lessee is opposing the termination of the lease agreement. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.	The contingent liability will be raised if the matter is not resolved by the end of the 2011/2012 financial year.	CFO
Irregular expenditure	11	As disclosed in note 33.3 of the financial statements, irregular expenditure amounting to R10, 9 million was incurred, as the Municipal Supply Chain Management (SCM) Regulation (GRN868 of 30 May 2005) (Municipal SCM Regulations) was not followed in the procurement of goods and services.	The weakness in the system has been mitigated by appointment of the SCM Manager whose responsibility is mainly to ensure that these irregularities are minimised. Supervised by the CFO monthly reports are submitted to the mayor in case there are deviations. The elimination/reduction of irregular expenditure is going to be in the CFO's SDBIP	CFO
Measures taken to improve performance were not explained in the report on predetermined objectives.	17	Measures taken to improve performance were not provided in the performance report, as required in terms of section 46(1)(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA). In total 94% of the reported targets where improvement is required, was not explained.	A correct report indicating all the required information will be forwarded to the AG.	Manager: IDP/PMS
Planned and reported indicators are not well defined	21	For the selected objectives, 36% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently	Management will take extra care in explicitly defining its unit of measures, starting from the forth coming financial year	Manager: IDP/PMS
Planned and reported targets are not measurable and time bound.	22	For the selected objectives, 26% of the planned and reported targets were not measurable in identifying the required performance.	Management will take extra care in explicitly defining its unit of measures ensuring that we adhere to the SMART principles from the forth coming financial year.	Manager: IDP/PMS

Planned and reported targets are not measurable and time bound.	23	For the selected objectives, 28% of the planned and reported targets were not time-bound in specifying the time period or deadline for delivery	Management will take extra care in explicitly defining its unit of measures ensuring that we adhere to the SMART principles from the forth coming financial year	Manager: IDP/PMS
Reported objectives, indicators and targets are not consistent and complete when compared with the planned objectives, indicators and targets	24	1. Reported performance against predetermined objectives, indicators and targets is not consistent with the approved integrated development plan.	The municipality will ensure that proper alignment process are followed between the SDBIP and IDP	Manager: IDP/PMS
Reported objectives, indicators and targets are not consistent and complete when compared with the planned objectives, indicators and targets	25	The actual achievements with regard to 26% of all planned indicators and targets specified in the integrated development plan for the year under review were not included in the report on predetermined objectives submitted for audit purposes	The proper and correct information will be forwarded to the AG	Manager: IDP/PMS
The validity, accuracy and completeness of reported performance against targets could not be confirmed as inadequate supporting source information was provided	28	For thirteen reported targets, in the SDI program, that are material by nature, the validity, accuracy and completeness of the reported targets could not be established as sufficient appropriate audit evidence and/or relevant source documentation could not be provided	Management will ensure that adequate source supporting information is provided	Manager: IDP/PMS
Procurement and contract management	29	The preference point system was not applied in procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act and Municipal SCM Regulation 28(1)(a)	New regulations that require BBBEE certificates are being implemented. The SCM Manager ensures that there is compliance and the CFO monitor the process on a monthly basis.	CFO
Procurement and	30	Goods and services with a transaction value of between R10 000 and R200 000 were not procured by means of obtaining written price quotations from at	The SCM Manager ensures that the relevant quotes are obtained. Deviations are reported to Council (through the Finance Committee) on a monthly basis.	CFO

## Ubuhlebezwe Municipality Draft Annual Report 2010/2011

contract management		least three different prospective providers, as per the requirements of the Municipal SCM Regulations 17(a) & (c).		
Procurement and contract management	31	Quotations were accepted from prospective providers who are not on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of Municipal SCM Regulations 16(b) and 17(b).	The supplier data base is being updated (an advert has been published inviting potential service providers to register. Only accredited service providers will be considered for quotations.	CFO
Procurement and contract management.	32	Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by the Municipal SCM Regulation 27(3).	Bid Committees have been enhanced and consultants are utilised on an advisory basis only.	CFO
Expenditure management	33	The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA	The SCM unit is required to report on SCM policy implementation on a quarterly basis.	CFO
Expenditure management	34	Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.	The payment process is being improved to ensure outstanding invoices are monitored. This monitoring will be done through the financial system. All invoices received will be matched and captured with a due date for payment and the system will issue reminders	CFO
Strategic planning and performance management	35	The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury, and the provincial treasury, as required by section 72(1)(b) of the MFMA.	Management will ensure that performance assessment from the forth coming year	Manager: IDP/PMS
Governance	43	The performance audit committee did not provide assurance to council on the credibility of performance against predetermined objectives by evaluating and monitoring responses to risks and providing oversight over the performance information process.		MM

<b>CHAPTER FIVE</b>	<b>FUNCTIONAL REPORTING</b>	<b>AREA</b>	<b>SERVICE</b>	<b>DELIVERY</b>
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## **5.1 OFFICE OF THE MUNICIPAL MANAGER**

### **5.1.1 Overview**

The administration of the Municipality is headed by the Municipal Manager. The municipality has four Administrative Departments each being headed by the Director. The office of the Municipal Manager is responsible for the following functions, Internal Audit, Executive and Council Support, Integrated Development Plan and Performance Management System.

### **5.1.2 Functions**

#### **Internal Audit**

The responsibility of this unit includes the provision of internal audit service to the municipality. The municipality does not have a fully functional Audit unit, this service was outsourced during the year under review, and however the municipality in the 2011/2012 financial year has set aside a budget for the establishment of this unit. Three positions have been created to ensure the effectiveness of this unit.

#### **Integrated Development Planning and Performance Management Systems**

Institutionally this unit falls under the office of the Municipal Manager where the IDP Manager is responsible for the management and coordination of the IDP and Organisational Management Systems

The Municipality IDP is done in-house and over the past two years the IDP has improved.

It must be noted that although our IDP is improving, there are still challenges that are being experienced. The following challenges are still common in all the IDP Reviews:

- Environmental Management plan are still outstanding
- No funding to develop various sector plans
- Statistical data still remains a challenge within the municipality, the data that is being utilised by the municipality is the Community Survey 2007 by Statistics South Africa, the challenge with Community Survey 2007 is that it does not go down to ward and municipal level.

Municipality is striving towards obtaining other sourced of data. More efforts will be made in the preparation of the new five year IDP.

## **Performance Management Systems**

During the financial year under review the municipality adopted and organisational scorecard and the SDBIP. All Section 57 Managers had their performance agreements signed and submitted to the Department of Cooperative Governance and Traditional Affairs.

Performance Management still remains a challenge within the municipality; however the municipality is making an effort to achieve better efficiency in order to improve the monitoring and evaluation of service delivery. Greater emphasis has now been given to performance management since it will now be audited and could contribute to the municipality getting an unqualified or a qualified audit opinion.

### **Performance Audit and Audit Committee**

In order to improve the operations of the municipality has established the Audit and Performance Audit Committee. This is an independent committee that reports directly to Council. The committee consist of three members who have been recruited via normal processes. The Audit Committee is governed by respective charters which are reviewed and adopted annually by Council. The year planner indicating dates of meetings has been prepared and adopted by council.

The main objective of this committee is to assist the municipality to accomplish its objectives by bringing systematic approach to evaluate and improve the effectiveness of internal controls, governance and risk management.

## **5.2 CORPORATE SERVICES DEPARTMENT**

### **5.2.1 Overview**

This Department provides a support function for all departments within the municipality. This Department includes but not limited to labour Human Resources, Legal Services and Communication Technology (ICT), Registry, Job Evaluation Management General Housekeeping and Security .The following are the functional areas of the sections within the Department.

### **5.2.2 Functions**

#### **Human Resources**

This unit performs three sub functions namely, Labour Relations, Human Resource Development and Human Resource Management.

Labour Relations ensures that there is a sound relationship between the employer and the employee within the working environment, ensure that fair labour practices are applied and advise on disciplinary matters. Human Resource Development looks at skills development, compilation and implementation of the Workplace Skills Plan thereby facilitating the personal development of individual staff members.



Human Resource Management deals mainly with the employment aspects of staff including recruitment and selection, leave management, facilitation of job evaluation and staff administration.

### **Information and Communication Technology (ICT)**

Ensuring the efficient implementation of information management systems, implementation and maintenance of application systems, IT hardware and software maintenance, information systems security and general coordination and management of IT systems. Additionally, this unit is responsible for the provision of effective communications systems to all departments within the municipality.

This functioning of this unit is still a great challenge since the municipality does not have dedicated personnel to ensure that the municipality has a reliable IT system.

### **Administration**

Functions of this unit include:

- ✓ **Registry**  
The Registry section ensures accurate record keeping of all municipal records, is responsible for all incoming and outgoing correspondence and for the provision of photocopying and binding of documents, review, implementation and monitoring of the municipal file plan and operational plan.
- ✓ **Secretariat/ Committee Unit**  
Provision of secretarial support to Council, its committees and management.
- ✓ Office cleaning
- ✓ Access Control
- ✓ Reception

### **Legal Services**

Legal services deals with all legal aspects at the municipality which includes contracts, litigations and disciplinary cases. This function is outsourced.

- ✓ **Occupational Health and Safety**
- ✓ **Property Management**

## **5.3 FINANCIAL SERVICES DEPARTMENT**

### **5.3.1 Overview**

#### **Objectives of the Department**

The main objective of finance department is to promote financial sustainability by implementing systems and procedures to make financial management possible to contribute towards quality infrastructure and sustainability service through the following strategies:

- Upgrade financial system to provide quality reporting;
- Submission of monthly reconciled income and expenditure analysis reports;
- Prevention or minimizing of irregular expenditure;
- Ensure compliance of the Property Rates Act to maximize income;
- Revision of internal policies in line with Treasury Regulations;
- Development of cash flow models;
- Development of effective reporting system;
- Establishment of an effective debt collection process;
- Compilation of the Indigent Register and implementation of the Indigent policy
- Implementation of all finance related policies adopted by Council;

### **5.3.2 Functions**

The main functions of this department include, revenue, budget and treasury, debtors and creditors, and supply chain management.

#### **Budget and Treasury Office**

This unit performs the following functions:

Compiling of multi-year operating and capital expenditure budget

Compilation of the Annual Financial Statements

Financial Reporting-monthly, quarterly, mid-year and annually

Cash flow Management and Investment

Compilations of the asset register

Administration of Payroll

Effective management of debtors and credit control

Management of creditors

#### **Supply Chain Management (SCM)**

This unit is responsible for the administration and implementation of the SCM Policy

and ensuring that the procurement of goods and services is done in fair, equitable, transparent, competitive and cost-effective manner. It is also responsible for the population and maintenance of a credible supplier database.

The unit further promotes the rotation of suppliers and monitors the effectiveness of the of the bid committee systems. There are three bid committees in place that facilitate the supply chain management in terms of awarding contracts: • Bid specification committee to make specifications • Bid evaluation; and • Bid adjudication. All awarded bids are placed on the notice boards to ensure transparency.

### **Challenges**

- Urgent reports that are required from the department which needs a day or two to prepare that might lead to the municipality submitting reports.
- Non-compliance with Generally Recognized Accounting Practices (GRAP) regarding asset management: requirement is to comply by 2012/2013
- Low revenue collection rate
- Incorrect billing due to inaccurate ratepayers data
- Skills shortage
- Inability to utilize the financial systems full potential due to ICT challenges

## **5.4 COMMUNITY SERVICES DEPARTMENT**

### **5.4.1 Overview**

#### **Units**

- Library Service
- LED Unit
- Protection Services
- Fire Department
- Town Planning

### **5.4.2 Functions**

#### **Local Economic Development**

The LED Section is responsible for all activities associated with economic development initiatives, which include economic planning, investment facilitation, packaging of investment opportunities, promotion of partnerships, and promotion of Small Medium and Micro Enterprises (SMMEs)

- ✓ The Cooperatives Development Programme
- ✓ SMME Development Programmes and Support –
- ✓ This function involves total business development of emerging entrepreneurs through various partnerships with key players in

SMME development and support, for example SEDA, SARS, etc. The function also focuses on ensuring that there is a conducive environment for businesses to thrive and create jobs.

✓ Tourism

### **Town Planning**

This unit is responsible for the day to day planning of the municipality, Spatial Planning, Rural Development and Development Control.

The Planning Delegations has been adopted by Council Gazetted in the Provincial Gazette. Although the municipality has delegations in place there is still a challenge in terms of development control due to the old town Planning Scheme that the municipality is currently using. The Scheme only covers the area of Ixopo. Areas like Highflats have no Town Planning Scheme in place.

In terms of The KwaZulu Natal Planning and Development Act of 2008 every municipality must prepare a wall to wall scheme for their area of jurisdiction, the Ubuhlebezwe Municipality is no exception. However the municipality will make budget provision in the 2012/2013 financial year for the preparation of the wall to wall scheme.

### **Protections Services**

This unit is functioning in terms of the National Road Traffic Act to perform the following activities:

- Examining and testing of Vehicles
- Learner Licenses, Renewal of Motor licenses
- Issuing of Drivers Licencing
- Law enforcement

### **Fire Services**

The function of this unit is to respond to fire and emergencies within ubuhlebezwe Municipal area. Mitigate Fires for domestic, business and veld fires .This unit also offers the mitigation training to schools and communities.

The challenges encountered by this unit are that the equipment and fire vehicle is old to attend to emergencies. In attempt to resolve this challenge the municipality will source funding from Provincial Disaster management Centre (COGTA)

## 5.5 TECHNICAL SERVICES DEPARTMENT

### 5.5.1 Overview

The municipality has entrusted this department to deliver services through operations and maintenance of existing services. Again to deliver new services so as to reduce backlog in the municipality also realized that our service delivery objectives as stipulated in our priority list, SDBIP and IDP should be consolidated in one infrastructure plan which should ensure that all infrastructure projects are captured / registered in the MIS system. For the past years, this department had endeavored to provide services in various areas such as:

- Project Management Unit (PMU)
- Housing
- Building Inspectorate
- Solid Waste Management, Cemeteries and Building Maintenance
- Roads, storm water, parks and gardens maintenance

The function of this department is mainly based on the MIG, Equitable Share allocation, DoHS, Own revenue generation sources, Department of Sports and Recreation and any other grant funding sources.

The Staff Compliment within the department is as follows:

EMPLOYEES	Permanent Employees		Contract & Temporal	
	Male	Female	Male	Female
Director			1	
Personal Assistant		1		
Manager	1			
Technicians			2	
Building Inspectorate	1			
Clerks	1	2		
Forman's	2			
Refuse Staff	13	9	1	5
Roads Staff	15	1	4	
<b>TOTALS</b>	<b>33</b>	<b>13</b>	<b>8</b>	<b>5</b>

<b>GRAND TOTAL</b>	<b>59</b>
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### 5.5.2. Functions

#### Project Management Unit (PMU)

This unit is responsible for the planning, design and implementation of all capital infrastructure projects within the municipality. These projects include:

- ✓ Roads and storm-water drainage,
- ✓ Community halls
- ✓ Sports-fields
- ✓ Creches

### **Housing**

This unit deals with planning and coordination of housing projects in accordance with the housing sector plan working in conjunction with the Department of Human Settlements.

### **Building Inspectorate**

The Building Inspectorate plays an advisory role to developers, is responsible for approval of demolition applications, building plans, progress inspections, and issuing of occupational certificates for all building related structures as well as signage applications and reporting on all illegal structures.

### **Solid Waste Management, Cemeteries and Building Maintenance**

This unit is responsible for waste collection and disposal, street sweeping, management and maintenance of graveyards, maintenance and repairs of municipal buildings and cleaning of ablution facilities in Ixopo and Highflats.

### **Roads, storm water, parks and gardens maintenance**

The core functions of this unit include:

- ✓ Maintenance of gravel roads
- ✓ Road markings and pothole patching
- ✓ Grass cutting and cleaning of verges
- ✓ Cleaning of storm water drainage
- ✓ Maintenance of parks and gardens

#### **5.5.3. Projects undertaken in the 2010/11 financial year**



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## PROJECTS 2010/2011

NO	PROJECT NAME	PROJECT BUDGET	AWARDED VALUE	CONTRACTOR/ CONSULTANT	Funder	PROGRESS
1	MAdungeni Sportsfield Toilet Block, Access Road	1 763 500.19	1 763 500.19	Zeedo/ Debbi's / B& B Transport	MIG	Construction
2	Mkhalwane Road	1 550 000.00	1444577.90	Inkonka civils/ Zamolweafrica	MIG	Completed
3	Sheshe Community Hall	1 949 957.15	1 663 037.70	Ikhethelo / Ziyanda	MIG	Completed
4	Hlokozi Sportsfield VO:1 (AFA) MIS 173380	3 713 035.82	3 524 897.44	Mami's / PDNA	MIG	Completed
5	Mpiyamandla Hall VO:1 (AFA) MIS 173379	1 639 844.44	1 639 844.44	Yimpie project / PDNA	MIG	Completed
6	Refurbishment of Peace Initiative Hall	600 000.00	400000	Tanizana / Sandu project	MIG	Completed
7	Bhobhobho Community Hall and Sports facility	3113832.00	3113832.00	B& B Transport/ Sivest	MIG	Completed
8	Nkumande Community Hall (AFA)	2 058 170.14	2 058 170.14	NobajvThwema/ Ziyanda	MIG	Completed
9	Shiyabanye Sportsfield	505 501.00	505 501.00	Kulu civils/ Aurecon	MIG	Completed
10	Thathani Sportsfield	2 993 475.74	2 993 475.74	PMPZ / PDNA	MIG	Completed
11	Hopewell Community Hall	1 858 014.74	1 858 014.74	Bude JV / Zamolweafrica	MIG	Completed
12	Koshange Community hall	2445327.36	2 080 000.00	DNA structures/ Molemo development	MIG	Construction
13	Carisbrooke community hall	2080000.00	2 080 000.00	PMPZ/ Phakathi& Shabane	MIG	Completed
14	Kwampondo skill centre	2 359 161.37	R 2 359 161.37	Veluno jv / Nathoo Mbenyane	MIG	Construction
15	Phambuka crash	900 000	R 742 140.00	Isibonelo civils/ Sandu	MIG	Completed
16	Margaret street	6 045 820.69	6 045 820.69	Fynns JV B&B/ Umpisi eng	COGTA	Completed
17	Main street	3166220.22	3166220.22	Fynns JV B&B/ Umpisi eng	COGTA	Completed
18	High street	2675976.09	2675976.09	VIP Construction/ Umpisi eng	COGTA	Completed
19	Street light and Names	1 463 593.56	1 463 593.56	ES Electrical/ Eyethu eng	COGTA	Completed
20	Ixopo sports field	705 000.00	695 000.00	Zeedo / Debi's / B&B transport	DOSR/ INTERNAL	Completed